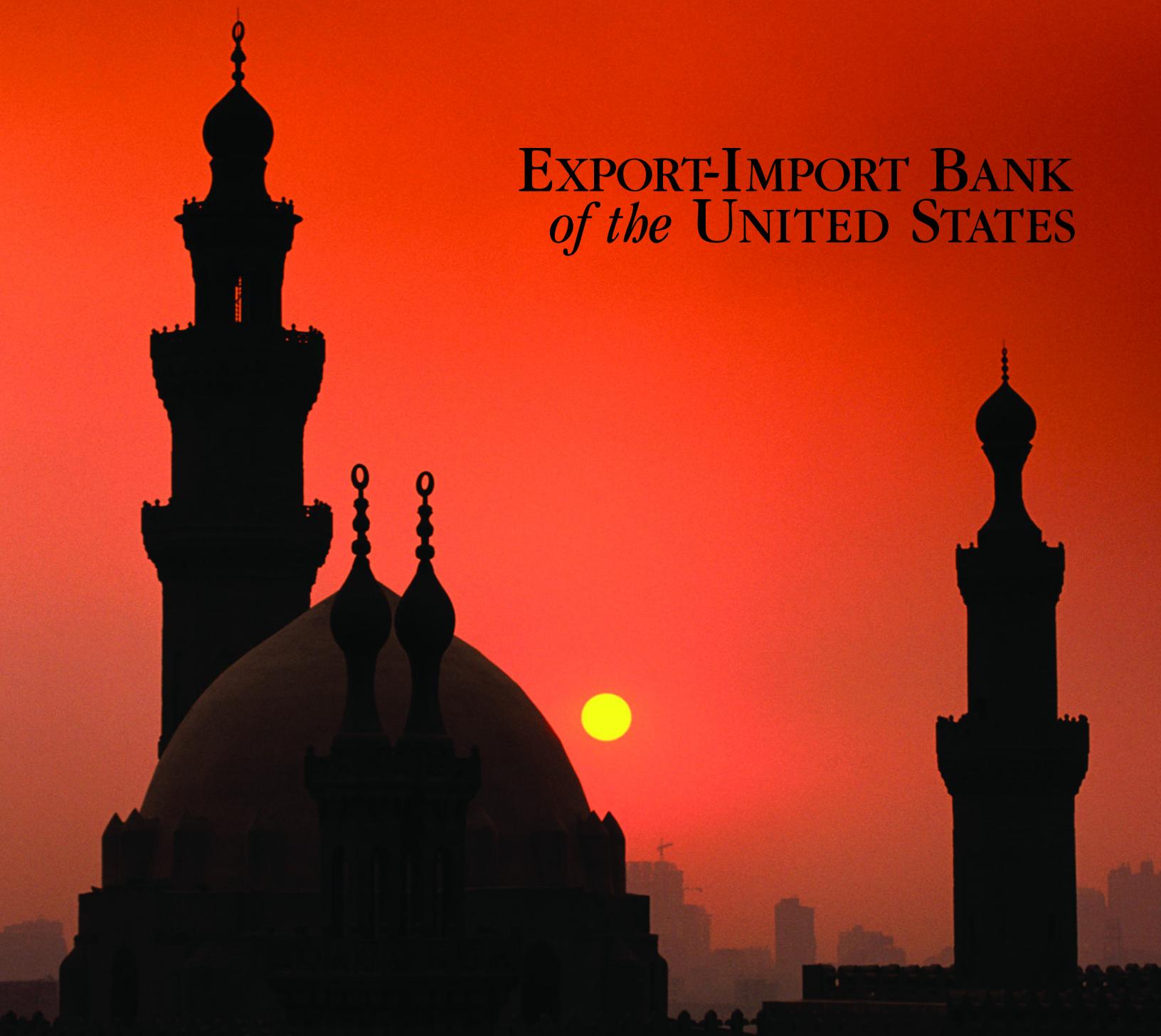


MIDDLE EAST and NORTH AFRICA

EXPORT-IMPORT BANK
of the UNITED STATES



ALGERIA

Ex-Im Bank provided a \$192 million long-term guarantee for the 825 MW Skikda power plant. The project's sponsors, Sonatrach and Sonelgaz, took the first steps toward developing a project finance structure for the power sector -- with an SPV borrower and other important project finance elements -- as they wanted to obtain the financing quickly. Ex-Im Bank approved and closed the transaction in a matter of months with corporate guarantees from the sponsors.

SNC Lavalin Constructors International Inc. of Redmond, Washington, exported GE gas-fired turbines and is providing engineering services for the project while Societe Generale of New York, is the guaranteed lender.

JORDAN

Kabatilo Industry & Trade Establishment, of Amman, used a medium-term Ex-Im Bank loan guarantee in the amount of \$1.4 million to obtain financing from BAC Florida Bank of Coral Gables, Florida, for the purchase of new and used bottling machinery and equipment for a carbonated beverage plant. The exporter is Equipment Specialists Inc. of Haines City, Florida.



INTRODUCTION

The Export-Import Bank of the United States (Ex-Im Bank) is the official export credit agency of the United States. The Bank's mission is to assist in financing the export of U.S. goods and services to international markets.

Ex-Im Bank does not compete with private sector lenders but instead assumes credit and country risks that the private sector is unable or unwilling to accept. The Bank also helps level the playing field for U.S. exporters by matching the financing that other governments provide to their exporters.

Ex-Im Bank provides export credit insurance ("open account" terms); loan guarantees (buyer financing); and project and structured finance (specially arranged buyer financing).

EXPORT CREDIT INSURANCE

Export credit insurance policies protect the U.S. exporter against both the political and commercial risks of a foreign buyer defaulting on payment, allowing them to comfortably extend credit to the buyer. Policies may be obtained for single or repetitive export sales and for leases.

Short-term policies generally cover 100 percent of the principal for political risks and 90 to 95 percent for commercial risks, as well as a specified amount of interest. They are used to support the sale of consumer goods, raw materials, and spare parts on terms of up to 180 days, and bulk agricultural commodities, consumer durables, and capital goods on terms of up to 360 days. Medium-term policies (one to five years) are also available.

The Ex-Im Bank insurance policy encourages the U.S. supplier to extend "open account" terms to the customer by providing some security of repayment regardless of the political or commercial uncertainty in the country of the buyer. The insurance policy also allows the supplier to discount this "receivable" with their local bank.

How to Apply

The buyer asks the U.S. exporter for credit terms of 30 days or longer for the goods or services they wish to purchase. The U.S. exporter is often uncomfortable in granting credit terms without an insurance policy from Ex-Im Bank. Once the exporter agrees to extend credit to the buyer with the support of Ex-Im Bank's insurance, the buyer and seller enter into a sales contract. The U.S. exporter works with the buyer (or

their agent) to provide trade references, bank references, financial statements and credit reports. The U.S. exporter applies for an insurance policy and submits the required credit information. Ex-Im Bank evaluates the application and, if approved, a policy is issued which protects the exporter against the risk of nonpayment, thereby allowing the international buyer to have the credit terms it requested. If a default occurs, Ex-Im Bank pays the U.S. exporter and attempts to collect from the buyer.

Another option is to have a U.S. or foreign lender extend the credit and apply for Ex-Im export credit insurance cover. The lender would maintain 10 percent risk on the transaction. A local lender may also act as "buyer" for their client. The Ex-Im Bank premium would be less and presumably be marked up by the local lender for having accepted the repayment risk.

LOAN GUARANTEES

Ex-Im Bank's loan guarantees help private and public sector international buyers obtain competitive financing for the purchase of U.S. goods and services. Guarantees cover 100% of principal and accrued interest against both political and commercial risks of non-payment. With an Ex-Im Bank loan guarantee, the interest rate provided by the private lender is typically more affordable to the buyer. Guarantees are generally provided for terms up to five years.

The total level of Ex-Im Bank support is generally 85% of the value of



all eligible goods and services in the U.S. supply contract. Ex-Im Bank requires the buyer to make a cash payment to the exporter equal to at least 15% of the U.S. supply contract. The 15% cash payment can be either borrowed from a lender or the exporter at market terms, or can be from the buyer's own funds.

To qualify for Ex-Im Bank's financing, borrowers must meet certain credit standards, depending on the size of the transaction, the nature of the buyer, and the goods and services being financed. If a buyer does not meet these standards, the use of guarantors and other credit enhancements may be used to qualify

How to Apply

There are three steps to approaching Ex-Im Bank for a loan guarantee:

1. buyer negotiates a sales contract with a U.S. supplier.
2. buyer and seller identify a financing institution to provide the loan – U.S. or foreign lenders acceptable.

3. financial institution submits Final Commitment application to Ex-Im Bank.

Letter of Interest (LI): If the contract has not been awarded, then a lender, an exporter, or an international borrower may request a non-binding LI containing Ex-Im Bank terms for the specific transaction. The LI is processed within seven working days, valid for six months, and can be renewed.

Final Commitment (AP): If the contract has been awarded and there is a lender ready to finance the transaction with Ex-Im Bank's support, an AP application may be submitted.

Fees

Letter of Interest application processing fee - \$100

Commitment fee - 0.125% per annum on the undisbursed balance of the loan

Ex-Im Bank exposure fee - Varies, depending upon tenor, country risk, and buyer credit risk.
(Exposure Fee Calculator is available on our website at www.exim.gov/tools/fee_calc.html)

PROJECT AND STRUCTURED FINANCE

Limited recourse (project) and structured financing are two options that offer maximum flexibility for natural resource and infrastructure projects.

Limited Recourse Project Finance

Ex-Im Bank's limited recourse project finance is an arrangement whereby Ex-Im Bank lends to newly created project companies and looks to the project's future cash flows as the source of repayment instead of relying directly on foreign governments, financial institutions, or established corporations for the repayment of the debt.

This financing arrangement is especially appropriate where hard currency revenues can be captured offshore or long-term off-take contracts insure project cash flows. The Bank will work with project developers or equity participants to develop a structure that can be sustained throughout the project's operations.

Structured Finance

Ex-Im Bank "structured finance" allows existing companies in the Middle East and North Africa to use other sources of collateral or security enhancements to qualify for medium- and long-term financing.

Ex-Im Bank has done structured transactions such as multiple-country fiber-optic cable, oil and gas projects, air traffic control, telecommunications projects, and manufacturing facilities.

Commitment to the Middle East and North Africa

Transactions supported by Ex-Im Bank are consistently selected for "Deal of the Year" awards. Though these successes indicate that we are on the right track, we look forward to greater involvement in the Middle East and North Africa through proactive outreach and a strengthened dialogue with stakeholders. We remain committed to providing the necessary comfort to initiate and sustain mutually beneficial, long-term U.S. commercial relationships with the region.

How to Apply

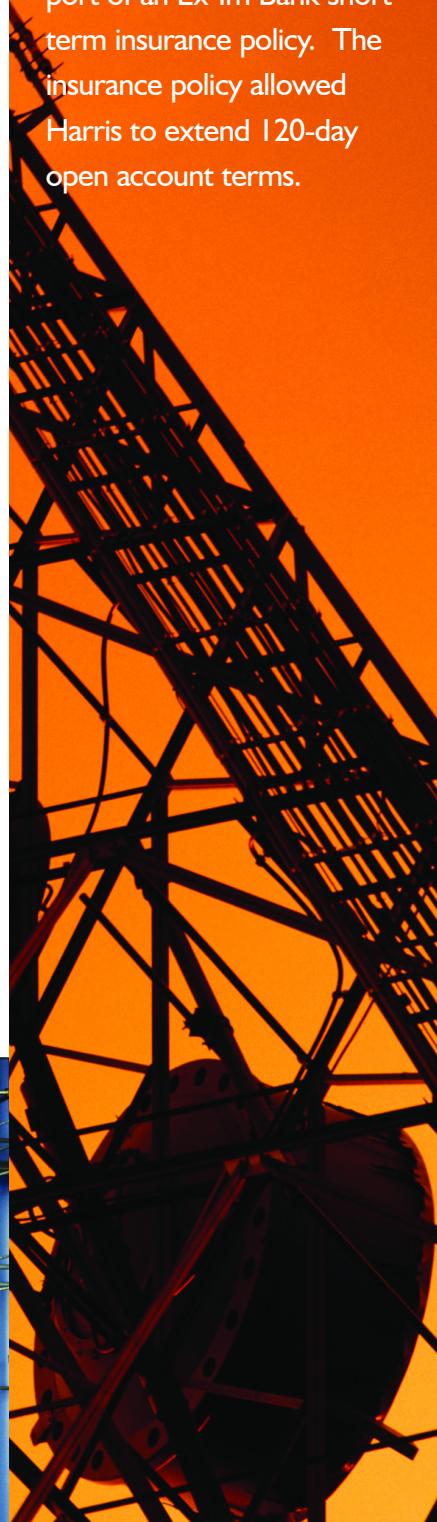
Borrowers and other parties interested in project and structured finance should first contact Business Development at:

U.S. Tel: 800.565.3946
Worldwide Tel: (EXIM)
Fax Line: 202.565.3946
TDD: (EXIM)
E-mail: 202.565.3839
Internet: 202.565.3377



SAUDI ARABIA

Electronic Equipment Marketing Company of Riyadh, purchased \$3 million of radio and television broadcasting equipment from Harris Corporation of Mason, Ohio, with the support of an Ex-Im Bank short-term insurance policy. The insurance policy allowed Harris to extend 120-day open account terms.



Ex-Im Bank Product Availability

Country	Short-term sector(s) open	Medium-term sector(s) open	Long-term sector(s) open	Open for Specially Financed Transactions
Algeria	Public & Private	Public & Private	Public	yes
Bahrain	Public & Private	Public & Private	Public & Private	yes
Egypt	Public & Private	Public & Private	Public & Private	yes
Iran				no
Iraq				yes
Israel	Public & Private	Public & Private	Public & Private	yes
Jordan	Public & Private	Public & Private	Public & Private	yes
Kuwait	Public & Private	Public & Private	Public & Private	yes
Lebanon	Public & Private	Public & Private		yes
Libya				no
Morocco	Public & Private	Public & Private	Public & Private	yes
Oman	Public & Private	Public & Private	Public & Private	yes
Qatar	Public & Private	Public & Private	Public & Private	yes
Saudi Arabia	Public & Private	Public & Private	Public & Private	yes
Syria				no
Tunisia	Public & Private	Public & Private	Public & Private	yes
United Arab Emirates	Public & Private	Public & Private	Public & Private	yes
Yemen	Public & Private	Public & Private		yes

Current as of June 2004. Please refer to www.exim.gov, under Country Limitation Schedule (CLS), for the most recent listing or call 800.565.3946 (EXIM) or 202.565.3946 (EXIM).

DEFINITIONS:

Short-term:

Consumables, raw materials, small capital goods – up to 360 days

Medium-term:

Capital goods and/or services – repayment terms up to 7 years (maximum 2 years disbursement plus 5 years repayment)

Long-term:

Capital goods and/or services – repayment terms over 5 years

Public Sector:

Entities at least 50% owned by the government

Private Sector:

Privately-owned companies, financial institutions, and entities less than 50% owned by the government

Specially Financed Transactions:

Project finance transactions (projects without full recourse to established obligor or guarantor), asset-based aircraft leases or sales, arrangements offering access to foreign exchange, third country obligor or guarantor, borrowers with access to international capital markets, etc.



AIRCRAFT FINANCE

Ex-Im Bank supports U.S. exports of new and used commercial and general aviation aircraft with its loan guarantee and insurance products. The Bank offers financial support for both large and small commercial aircraft. In sovereign-guaranteed large aircraft transactions, Ex-Im Bank may also finance spare parts, ground equipment, training costs and transaction expenses.



MEDICAL, ENVIRONMENTAL, AND TRANSPORTATION SECURITY INITIATIVES

Ex-Im Bank has special programs that provide enhanced support for medical equipment exports, environmentally beneficial exports, and exports related to international transportation security. The benefits include extended repayment terms and coverage of local costs for up to 15 percent of the U.S. contract value.





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